



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Dan Guy	

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Friday, July 28, 2006
Start Date/Time:	7/28/2006 9:00:00 AM
End Date/Time:	7/28/2006 2:40:00 PM
Last Inspection:	Friday, June 23, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear; summer temperatures.

InspectionID Report Number: 1026

Accepted by: whedberg
8/7/2006

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

Site: **SAVAGE COAL TERMINAL**

Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

160.00	Total Permitted
122.28	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☐ Federal
☐ State
☐ County
☐ Fee
☒ Other

Types of Operations

- ☒ Underground
☒ Surface
☒ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the quarterly submittal of surface water monitoring information for the Coal Terminal permit area. Second quarter monitoring has been completed; the placement of parameter information into the Division pipeline is pending, awaiting results from Horizon Labs in Price, Utah.

Notice of Violation N06-46-3-1 was issued to the Permittee on July 14, 2006 for conducting mining activities (foundation construction for wash plant conveyors #1b and #1d) without having DOGM authorization in place. There are no other violations pending for the Coal Terminal permit area.

Inspector's Signature: _____

Pete Hess

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date

Monday, July 31, 2006

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Permit Number: C0070022
 Inspection Type: COMPLETE
 Inspection Date: Friday, July 28, 2006

Inspection Continuation Sheet

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Permittee currently has two permit amendments within the OGM permitting process; the first is relative to the construction of four fine coal settling ponds in the NW corner of the property. The second amendment is relative to the construction of three new conveyors adjacent to the wash plant, and the start up of the coal washing facility. The Permittee is currently preparing deficiency responses to both applications.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee's qualified representative, Mr. Dan Guy, P.E., performed the second quarter of 2006 impoundment inspections for the site's five sediment ponds on June 23, 2006. There were no signs of instability, erosion, or other hazards noted for any of the ponds, (#1, #2, #3, #5, and #6). Ponds #1 and #6 were cleaned in May; pond #5 was partially cleaned. To date, Mr. Guy had not placed a P.E. certification on the pond #1 and #6 inspection report. He was asked to do this in order to meet the requirements of R645-301-514.312.

4.c Hydrologic Balance: Other Sediment Control Measures

A silt fence located adjacent to the inlet of a 24-inch culvert in the NE corner of the property (ASCA area adjacent to track) was nearly hidden by overgrown vegetation. The fence needs to be replaced. Mr. Guy made note of this in order to have the necessary work performed.

4.d Hydrologic Balance: Water Monitoring

The second quarter water monitoring for the Coal Terminal permit area was conducted on June 30, 2006. NPDES 001A, which is also identified as CV-15W (sediment pond #6 outfall) was reported as having no flow. Monitoring was also conducted for locations CV-1-W (pump house) and CV-14-W (NE corner of the property), per the surface water monitoring plan approved on December 19, 2002 (AM02E). Discharge monitoring reports for the month of May 2006 were reviewed; no flow was reported from UPDES outfall 001A. The reports were submitted to the Utah DEQ on June 28th, per the approved permit reporting requirements.

4.e Hydrologic Balance: Effluent Limitations

The current, approved UPDES permit for the Coal Terminal permit area remains in effect through April 30, 2008.

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. Guy conducted the second quarter waste rock pile inspection on June 23, 2006. There were no unstable conditions or other hazards noted during the quarterly inspection. Ditches surrounding the pile were reported as "OK". The inspection reported received a P.E. certification from Mr. Guy on the same day (6/23/2006).

8. Noncoal Waste

A pile of rail road rail, ties, and miscellaneous track debris was observed approximately 100 feet SSE of the 10,000 ton coal loading silo adjacent to or possibly inside the railroad right-of-way. The Permittee was asked to investigate the possibility of cleaning this material up and disposing of it in a proper manner. The equipment storage area which is located ENE of the wash plant building is receiving a constant influx of derelict machinery components, control rooms, electrical components, electrical motors, conveyor transfer components, etc. The skeleton of an old Joy 10 SC shuttle car was observed, as well as an old coal bin. The Permittee is running short on storage room in this area. Mr. Rhodes indicated that Savage management has expressed that everything in this area has a possible future use. However, the Division feels that a lot of this non-coal waste has no future use, and is junk. Same should be properly disposed of; the remainder of this material should be sorted through and organized.

16.a Roads: Construction, Maintenance, Surfacing

To date, the Permittee has not initiated the paving of several of the haul roads which were permitted by AM97C.

18. Support Facilities, Utility Installations

The Permittee continues to progress with the construction of the new conveyors associated with the start up of the wash plant. Relative to the new stacking tube and conveyor, the new tube has been set and anchored, and the conveyor support structure has been set between the transfer and the stacking tube. New top rollers were being installed on the support structure; it appears that the new facility will be in service soon. N06-46-3-1 was issued to the permittee on July 14, 2006 for constructing foundations for conveyors #1a and #1d without proper DOGM approvals. Foundations holes had been dug, forms set, and reinforcing steel had been set prior to the receipt of approval. The Permittee was instructed to proceed with the footing pours on the same day of observing the unauthorized actions. N06-46-3-1 was terminated this day as the Permittee had recovered and stored the soils removed from the footer excavations.

20. Air Quality Permit

The new Air Quality Approval Order for the Savage Terminal which will allow an increase in throughput to 10 MTPY is still in the public comment period.

Mr. Maung Maung, engineer with the Utah DAQ, indicated that the public comment period for this operations document will end on August 3, 2006. To date, no comments or requests for public hearing have been received.